



Anchorage Consumer Optimism Index

ANCI

2014 Q1

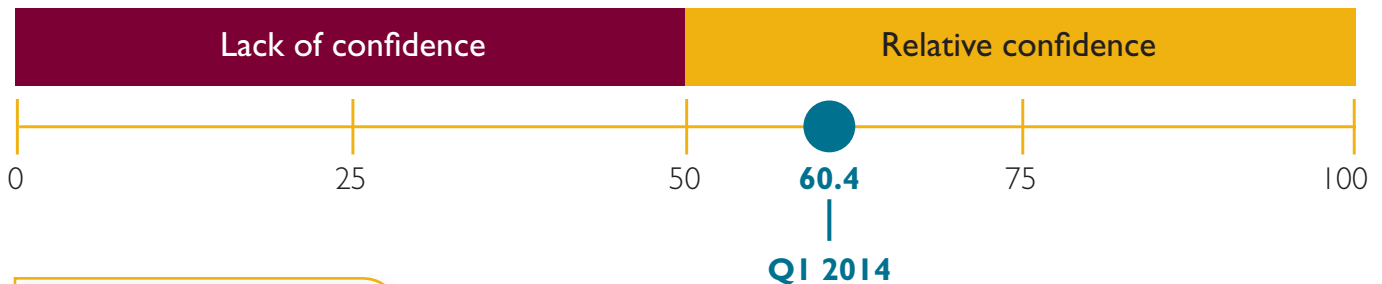
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DESCRIPTION

The ANCI is a measure of **Anchorage households' confidence in the health of the local economy, their personal financial situation, and their expectations for the future.** Northern Economics, Inc. generates the ANCI using data collected by a random quarterly sample of at least **350 households** located in the Municipality of Anchorage. The survey sample includes households with landlines, those with landlines and cell phones, and those households which only use cell phones. The analysis weighs all responses for demographic factors such as gender, age and income to insure the sample's responses are representative of Anchorage's population.

The ANCI is expressed using a value of 0 to 100. **Values above 50 represent relative confidence in the economy, while values below 50 indicate lack of confidence.** The farther the ANCI is from the midpoint the stronger the aggregate feeling of confidence or lack thereof.



RESULTS

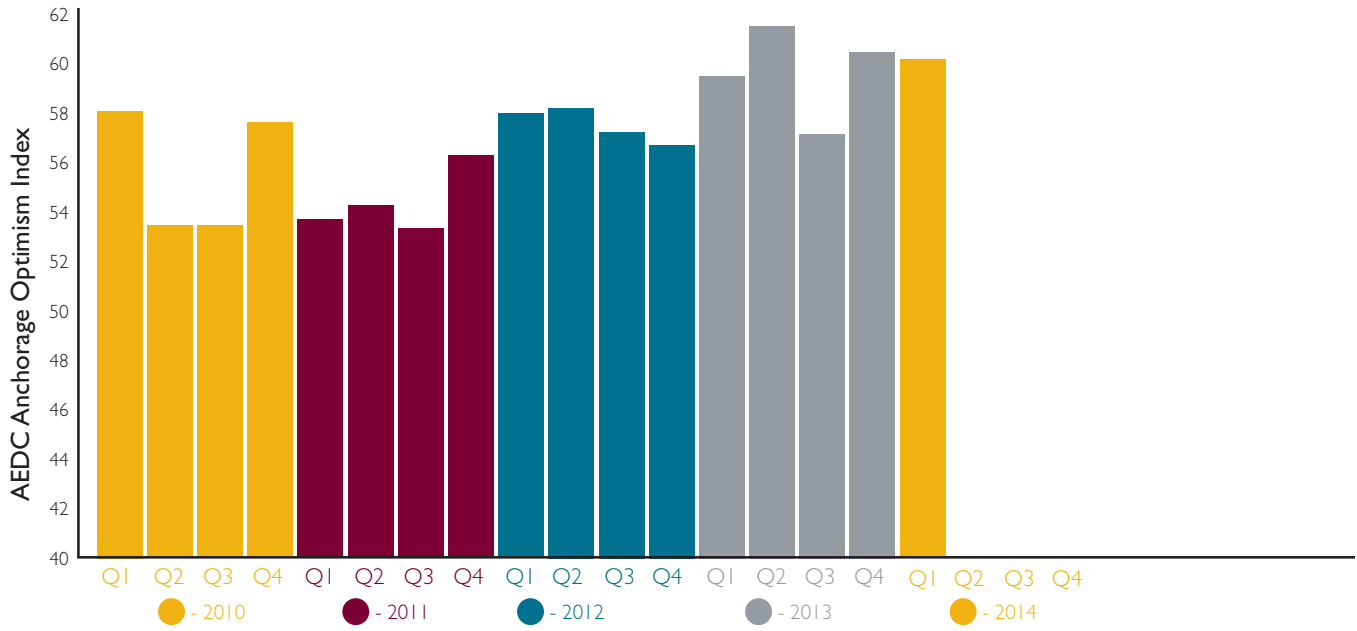
In 2014 Q1, the ANCI declined slightly to 60.4 from 60.7, remaining above the 2013 average of 59.5 and remaining close to the 2013 Q2 all-time high of 61.4. **The more stable six-month moving average of the index, on the other hand, grew 1.7 points to 60.6, taking first place over the life of the index.**

During the administration of this survey, U.S. consumer confidence showed improvement from December 2013 to March 2014. The Conference Board's Consumer Confidence Index® increased markedly over the quarter, with an increase in present sentiment but a decline in expectations, which is consistent with the subcomponents in ANCI. The University of Michigan's Consumer Sentiment Index was mostly unchanged over the quarter, despite the drought faced by parts of the country and the severe winter encountered by the rest.

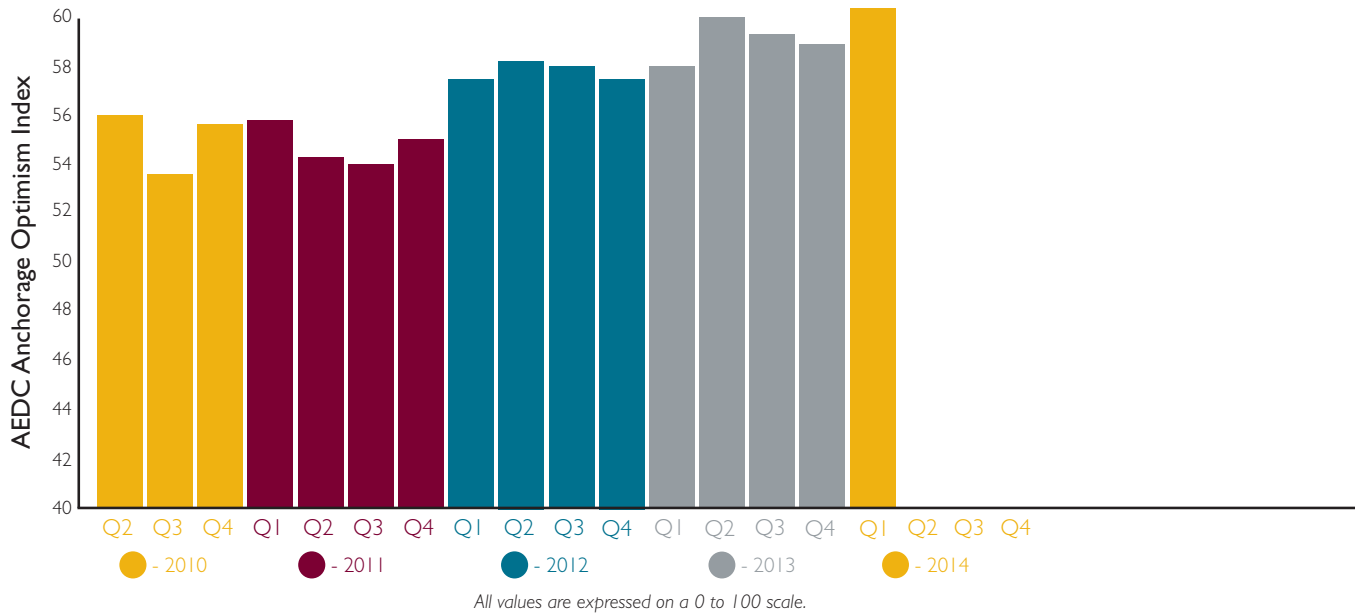


RESULTS CONT.

Anchorage Optimism Index



Anchorage Optimism Index Six-Month Moving Average



COMPONENTS

The ANCI is comprised of three individual components:

Local Economy Confidence, Personal Financial Confidence, and Expectations for the Future

Local Economy Confidence, the most direct measure of respondents' feelings about the current state of the Anchorage economy.

"Anchorage residents regained confidence in their local community's economy, and finished another year of higher confidence overall."

Local Economy Confidence, the most direct measure of respondents' feelings about the current state Anchorage economy, **increased by 0.7 points to 63.6**, exceeding the 2013 average of 62.5. Anchorage residents gained even more confidence in their local economy, providing a strong start to the new year.

Personal Financial Confidence component is the strongest component in the ANCI:

"With lukewarm employment forecasts for the state and a tepid first quarter in the stock market, Anchorage residents remain positive about their personal financial well being, but less so than at the end of 2013."

The *Personal Financial Confidence* component is the strongest and least volatile components of the ANCI. It dropped 0.7 points from the fourth quarter of 2013 and reach 66.4 this quarter, but it still remains higher than the average seen in 2013.

Unlike the *Local Economy Confidence* component, which is in some ways residents' outside view of the local economy, *Personal Financial Confidence* measures residents' ability to

participate in the local economy directly through their personal finances. With lukewarm employment forecasts for the state and a tepid first quarter in the stock market, Anchorage residents remain positive about their personal financial well being, but less so than at the end of 2013.

ANCI's *Expectations of the Future* component currently measures 55.8, a 0.6 point drop from the fourth quarter of 2013. Despite the drop, residents' outlook continues to be strong and this quarter's reading exceeds the average seen in 2013.

Expectations of the Future: Residents' outlook continues to be strong and exceeds the average for 2013

The Anchorage Consumer Optimism Index (ANCI) Survey is compiled by Northern Economics on behalf of Anchorage Economic Development Corp. (AEDC).

If you are interested in learning more about this data or how AEDC can help you develop a report, call the AEDC Research Department at 907.258.3700.

AEDC ANCHORAGE OPTIMISM INDEX

Year	Local Economic Confidence	Personal Financial Confidence	Future Expectations	ANCI	6-Month Average
2010					
Q1	59.8	67.3	52.9	58.2	
Q2	55.7	60.8	48.8	53.5	55.9
Q3	55.7	60.8	48.8	53.5	53.5
Q4	59.5	65.2	52.9	57.7	55.6
2011					
Q1	57.2	62.9	47.5	53.8	55.7
Q2	58.8	61.4	48.6	54.3	54.1
Q3	58.7	61.8	46.6	53.4	53.9
Q4	60.1	63.7	50.8	56.4	54.9
2012					
Q1	60.6	65.9	52.9	58.1	57.2
Q2	61.3	64.2	54	58.4	58.2
Q3	59.4	65.1	52.9	57.6	58
Q4	60.9	61.9	52.7	57	57.3
2013					
Q1	61.7	64.8	54.5	59.9	57.9
Q2	65.3	66.6	56.8	61.4	60.1
Q3	60.3	61.1	53.6	57.1	59.3
Q4	62.9	67.1	56.4	60.7	58.9
2014					
Q1	63.6	66.4	55.8	60.4	60.6

All values are expressed on a 0 to 100 scale.